

MEMORANDUM

TO: Lawrence Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: November 14, 2014

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). This schedule is based on the results of your January 1, 2014 actuarial valuation. The schedule is effective in FY15 (since the FY15 amount under the prior schedule was maintained) and is acceptable under Chapter 32.

The funding schedule assumes payments will be made on July 1 each year. However our understanding is that payments are expected to be made as of July 31 each year, consistent with our FY15 revised appropriation memorandum dated March 6, 2014. Therefore, our FY16 appropriation memorandum, to be released later this year, will increase the FY16 amount in the funding schedule by 1.00646 to reflect the later payment date.

Although we are approving this schedule, we would have preferred a schedule be adopted that more aggressively amortizes the unfunded actuarial liability. For the past year, we have been recommending that systems determine schedules to be fully funded by FY35. This provides more flexibility in the event of a market downturn.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.



LAWRENCE RETIREMENT SYSTEM
FUNDING SCHEDULE WITH 3(8)(c) PAYMENTS - 23 years: 3.42% amortization
Generational Mortality, Scale AB

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution
2016	2,887,967	221,182,182	14,816,128	692,185	18,396,280
2017	3,010,706	222,359,423	15,327,878	692,185	19,030,769
2018	3,138,661	223,076,490	15,857,332	692,185	19,688,177
2019	3,272,054	223,278,643	16,405,102	692,185	20,369,340
2020	3,411,116	222,906,240	16,971,825	692,185	21,075,125
2021	3,556,088	221,894,333	17,558,156	692,185	21,806,429
2022	3,707,222	220,172,231	18,164,776	692,185	22,564,183
2023	3,864,779	217,663,032	18,792,388	692,185	23,349,352
2024	4,029,032	214,283,119	19,441,720	692,185	24,162,937
2025	4,200,266	209,941,608	20,113,524	692,185	25,005,975
2026	4,378,777	204,539,760	20,808,581	692,185	25,879,543
2027	4,564,875	197,970,346	21,527,695	692,185	26,784,756
2028	4,758,883	190,116,956	22,271,703	692,185	27,722,770
2029	4,961,135	180,853,261	21,601,019	692,185	27,254,339
2030	5,171,983	171,594,290	22,339,774	692,185	28,203,942
2031	5,391,793	160,821,741	23,103,794	692,185	29,187,772
2032	5,620,944	148,391,087	23,893,944	692,185	30,207,073
2033	5,859,834	134,145,672	24,711,117	692,185	31,263,136
2034	6,108,877	117,915,733	25,556,237	692,185	32,357,299
2035	6,368,504	99,517,357	26,430,261	692,185	33,490,949
2036	6,639,166	78,751,346	27,334,175	692,185	34,665,526
2037	6,921,330	55,402,001	28,269,004	692,185	35,882,519
2038	7,215,487	29,235,804	29,235,804	692,185	37,143,476
2039	7,522,145	(0)	-	692,185	8,214,330

Amortization of Unfunded Liability as of July 1, 2015

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2005	ERI2002-LHA	2,746	4.50%	24	4,456	13
2005	ERI 2002-VOC	19,415	4.00%	24	29,889	13
2005	ERI2002-City	405,220	4.00%	24	623,818	13
2005	ERI2003-City	129,504	4.00%	24	199,365	13
2005	ERI2003-VOC	4,729	4.00%	24	7,280	13
2016	Fresh Start	13,951,320	3.42%	23	13,951,320	23